

## Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 OMB-01  
CIAE-00 INR-07 NSAE-00 L-03 OPIC-03 /035 W  
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R 270737Z JAN 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 909

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E.O. 11652: N/A  
TAGS: EINV, EPAP, RP  
SUBJECT: UPDATE ON MARANAW TIMBER INDUSTRIES CASE

REF: 77 MANILA 18205

1. SUMMARY. VICENTE PATERNO, CHAIRMAN OF THE BOARD OF INVESTMENTS AND SECRETARY OF INDUSTRY, HAS SENT A MEMORANDUM TO PRESIDENT MARCOS ON THIS MATTER, AND HAS GIVEN A SYMPATHETIC HEARING TO COMPANY OFFICIALS. THIS HIGH LEVEL ATTENTION IS ENCOURAGING, AND MAY EVENTUALLY LEAD TO A DEFINITIVE DECISION. END SUMMARY.

2. OFFICIALS OF MARANAW TIMBER INDUSTRIES (MTI) MET IN DECEMBER WITH EDGARDO TORDESILLAS, VICE CHAIRMAN OF THE BOARD OF INVESTMENTS (BOI). AS A RESULT, ACCORDING TO MARANAW, BOI STAFF DRAFTED A MEMORANDUM TO PRES. MARCOS, FOR SIGNATURE OF VICENTE PATERNO, CHAIRMAN OF THE BOI AND SECRETARY OF INDUSTRY, ESSENTIALLY OUTLINING MARANAW'S VERSION OF THE CASE AND ASKING THAT SOME DECISION BE RENDERED IN THE MATTER. PATERNO APPARENTLY SIGNED AND SENT THE MEMORANDUM EARLY THIS MONTH, BUT NEITHER THE COMPANY NOR THE EMBASSY HAVE BEEN PROVIDED A COPY.

3. THE AMBASSADOR MENTIONED THE CASE TO PATERNO DURING  
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A LUNCHEON AT MALACANANG ON JANUARY 16. PATERNO CONFIRMED THAT HE HAD SENT THE MEMO TO THE PRESIDENT, AND STATED THAT HE WOULD BE GLAD TO MEET WITH COMPANY OFFICIALS.

4. WALTER MACALONEY, MTI GENERAL MANAGER, AND RAMON MANZANO, EXECUTIVE VICE PRESIDENT, DISCUSSED THE CASE

WITH PATERNO ON JANUARY 24. ACCORDING TO MACALONEY, PATERNO APPEARED TO BE SYMPATHETIC TO THE MTI SITUATION, AND COMMENTED AT ONE POINT THAT THIS WAS THE FIRST CASE HE KNEW OF WHERE "A FOREIGN INVESTMENT HAD BEEN WIPED OUT THIS WAY." PATERNO TOLD MTI OFFICIALS THAT HE WOULD DISCUSS THE CASE WITH SECRETARY OF NATURAL RESOURCES JOSE LEIDO, AND WOULD BE IN FURTHER TOUCH WITH THE COMPANY.

5. MANZANO IS MAKING A TRIP TO THE U.S. LATER THIS MONTH AND WILL NO DOUBT TAKE THE OPPORTUNITY TO BRIEF OFFICIALS OF CHAMPION INTERNATIONAL ON DEVELOPMENTS TO DATE. MACALONEY SAID THAT HE MENTIONED THIS TO PATERNO, BUT THAT PATERNO GAVE HIM NO REASON TO EXPECT ACTION BY THAT TIME. MACALONEY WAS NEVERTHELESS ENCOURAGED THAT THE CASE IS FINALLY RECEIVING HIGH LEVEL ATTENTION, AND THAT THE POSSIBILITY FOR A CLEAR DECISION IS BETTER THAN BEFORE.  
NEWSOM

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Case Number:** n/a  
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**Review Markings:**  
Sheryl P. Walter  
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